



Rural Energy for America Program (REAP) Grant Fact Sheet **RENEWABLE ENERGY SYSTEMS (RES) AND ENERGY EFFICIENCY IMPROVEMENTS (EEI) AND FLEXIBLE FUEL PUMP**

PROGRAM

Through the Rural Energy for America Program (REAP), USDA, Rural Development [Rural Business-Cooperative Service (RBS)] provides grants to agricultural producers and rural small businesses to purchase renewable energy systems, flexible fuel pumps and/or make energy efficiency improvements. In addition to the Energy Grant Program, Rural Development administers a Loan Guarantee Program for this purpose. See separate Fact Sheet for information on the Loan Guarantee Program.

PRIMARY OBJECTIVE

REAP is designed to help agricultural producers and rural small businesses reduce energy costs and consumption and help meet the nation's critical energy needs.

WHO IS ELIGIBLE TO RECEIVE ENERGY FUNDS?

Energy eligibility is limited to:

- ◆ **Agricultural Producer.** An individual or entity directly engaged in the production of agricultural products (crops, livestock, forestry products, hydroponics, nursery, & aquaculture) whereby 50%+ or greater of their gross income is derived from the operations. The SBA small business standard does not apply to agricultural producers.
- ◆ **Rural Small Business.** A private entity considered a small business concern in accordance with SBA's Small Business Size Standards, including, in certain cases, an electric utility including a Tribal or Governmental Utility. A **very small business** is a business with fewer than 15 employees and less than \$1 million in annual receipts.

Non-profit organizations and public entities are not eligible for this program.

PROJECT ELIGIBILITY

REAP grants will be competitively awarded to fund a project for the purchase of a renewable energy system or to make energy efficiency improvements:

- ◆ The applicant must be the owner of the system and control the operation of the proposed project.
- ◆ All projects financed under this Program must be based on satisfactory sources of revenues in an amount sufficient to provide for the operation and maintenance of the system or project.
- ◆ Must be for a pre-commercial or commercially available and replicable technology.
- ◆ Must be technically feasible (Note: Applications may be reviewed for technical feasibility by industry experts. ***A technical report is required for all renewable energy, energy efficiency and flexible fuel pump projects.***)

Renewable Energy System:

- A Renewable Energy System is a process that produces or produces and delivers usable energy from a renewable energy source, or is a flexible fuel pump. ***If total eligible project costs exceed \$200,000 for a renewable energy system, a project-specific feasibility study, prepared by a qualified independent consultant, is required.***

Renewable Energy:

- Renewable Energy is energy derived from wind, solar, renewable biomass, ocean, geothermal, or hydroelectric source; or hydrogen derived from renewable biomass or water using wind, solar, ocean, geothermal, or hydroelectric energy sources.

Flexible Fuel Pump:

- A retail pump that combines and dispenses a blended liquid transportation fuel or dispenses a blended liquid transportation fuel.

Energy Efficiency Improvement:

- Energy Efficiency Improvements are improvements to a facility or process that reduce energy consumption. *At a minimum, an energy assessment is required; if total eligible project costs exceed \$50,000, an energy audit, prepared by a qualified independent consultant, is required.*

RBS is required to assess the potential environmental impacts of a proposed action prior to commitment of Federal financial resources to the project. Any required environmental review must be completed by the Idaho RBS Office before the application will be considered for funding.

WHAT IS THE AMOUNT OF THE GRANT AND HOW MAY FUNDS BE USED?

- ◆ REAP grants may be used to pay up to 25 percent of the eligible project costs.
- ◆ Applications with total eligible projects costs of \$200,000 or less may be eligible to file a simplified application.
- ◆ Applications may be submitted for the following amounts:

<u>Type of Application</u>	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Renewable Energy Systems	\$2,500	\$500,000
Energy Efficiency Improvements	\$1,500	\$250,000

REAP grant funds may be used for the following as a part of an eligible project:

- ◆ Post-application purchase and installation of equipment;
- ◆ Post-application construction or improvements;
- ◆ Energy audits or assessments;
- ◆ Permit fees and license fees;
- ◆ Feasibility studies and Technical Reports;
- ◆ Professional service fees;
- ◆ Business plans;
- ◆ Retrofitting.

MATCHING FUNDS

REAP has a matching funds requirement. RBS grant funds may be used to pay up to 25 percent of the eligible project costs. Therefore, the applicant must provide at least 75 percent of leveraged funds to complete the project. Leveraged funds will be verified from information provided in the application. Applicant in-kind contributions and other Federal grants may not be used to meet the 75 percent requirement.

APPLICATION DEADLINE

Application deadlines will be posted in a Notice of Funds Availability (NOFA) for each funding cycle. Please contact our office for further information.

HOW DO I FIND OUT MORE AND MAKE APPLICATION?

In Idaho, the Idaho Rural Development State Office and field representatives administer REAP. Applications should be submitted to the Idaho Office. Additional information can be found at: <http://www.rurdev.usda.gov/Energy.html>

Idaho RBS Office:

USDA, Rural Development
9173 W. Barnes, Suite A1
Boise, Idaho 83709

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